

# Mason Street Transportation Corridor

## Fort Collins, Colorado

(November 2002)

### Description

Transfort, the transit agency for the City of Fort Collins, is proposing a 5.3-mile bus rapid transit (BRT) system within its Mason Street Transportation Corridor, extending from Cherry Street on the north to a proposed transit center south of Harmony Road and parallel to a major road, College Avenue. The project will enhance opportunities for pedestrians, bicyclists, and transit riders along its length. The Mason Street Transportation Corridor will provide a direct north/south route for bicyclists and a faster passenger trip time using BRT rather than having to use automobiles on congested College Avenue. Buses compete with automobiles on College Avenue, bicycles make circuitous trips to travel through the city, and pedestrians encounter unsafe vehicle traffic and walking conditions. BRT would link the downtown Civic Center, Colorado State University, the South College Avenue retail corridor, and south Fort Collins. The project is also intended to encourage development and provide economic opportunities.

In 1997, voters approved a Building Community Choices capital funding ballot proposal that included this BRT project. Based on the ballot proposal, the City dedicated \$7.5 million to the project, has spent \$1.5 million for the development of the master plan, and has a remaining balance of \$5.6 million.

Summary Description	
<b>Proposed Project:</b>	Bus Rapid Transit 5.3 Miles, 16 Stations
<b>Total Capital Cost (\$YOE):</b>	\$66.0 Million
<b>Section 5309 New Starts Share (\$YOE):</b>	\$52.3 Million (79.2%)
<b>Annual Operating Cost (2022 \$YOE):</b>	\$1.7 Million
<b>Ridership Forecast (2020):</b>	5,300 Average Weekday Boardings 1,854 Daily New Riders
<b>Opening Year Ridership Forecast:</b>	N/A
<b>FY 2004 Finance Rating:</b>	Low
<b>FY 2004 Project Justification Rating:</b>	Not Rated
<b>FY 2004 Overall Project Rating:</b>	Not Recommended

The overall project rating of *Not Recommended* is based upon the *Low* financial rating resulting from a Section 5309 New Starts funding share of 80 percent. This project has received a rating of *Not Recommended* based on the Federal New Starts share requirement in effect during FY 2003. The Conference Report accompanying the FY 2002 Department of Transportation Appropriations Act directs that, as of October 1, 2002, no new Full Funding Grant Agreement may be executed with a Federal New Starts share greater than 60 percent. The project's "low"

financial share rating and summary financial rating reflect this Congressional direction. In addition, the Administration is seeking legislation that would limit the Federal New Starts share to no more than 50 percent beginning in FY 2004. Future ratings of this project would be affected by this change.

The overall project rating applies to this *Annual Report on New Starts* and **reflects conditions as of November 2002**. Project evaluation is an ongoing process. As New Starts projects proceed through development, the estimates of costs, benefits, schedules, and impacts are refined. **The FTA ratings and recommendations will be updated annually to reflect new information, changing conditions, and refined financing plans.**

## Status

The concept of the transportation corridor originated in 1994, when the City's Bicycle Plan identified the need for a north/south facility for pedestrians and bicyclists. The recommendation was carried forward in two documents the following year when the City Plan and the 1996-2002 Transit Development Plan identified the need for a north/south corridor. In response, the City's Transportation Board considered the Mason Street Transportation Corridor as one possible solution to north/south traffic congestion impacting Fort Collins, and to the lack of safe, convenient routes for people choosing different modes of travel. This project was one of several presented to the City Council to include in the Building Community Choices capital funding ballot proposal, which was approved by Fort Collins voters in 1997. The Mason Street Transportation Corridor is part of the adopted fiscally constrained long range transportation plan adopted in October 1998.

FTA approved, with conditions, Transfort's request to enter Preliminary Engineering (PE). In December 2001, FTA granted the approval with the expectation that several tasks be completed or satisfied including refinement of the financial plan to increase the local share to at least 40 percent, re-examination of the definition of the New Starts baseline alternative, and completion of the National Environmental Policy Act process. Transfort initiated an Environmental Assessment in August 2002, and expects to complete the document in July 2003.

The Mason Street Transportation Corridor project is not authorized in TEA-21. Through FY 2002, Congress has not appropriated any Section 5309 funds for this project.

## Evaluation

The following criteria have been estimated in conformance with FTA's *Reporting Instructions on Section 5309 New Starts Criteria*, updated in June 2002. FTA approved Transfort's usage of the No Build alternative as the New Starts baseline for evaluation and rating purposes for approval to initiate PE. However, FTA is working with Transfort during PE to determine if a revised New Starts baseline can be developed that considers additional corridor improvements beyond the no-build. The project will be reevaluated for next year's *Annual Report on New Starts* and when it is ready to advance into Final Design.

Mobility Improvements Rating: Not Rated		
Average Employment Per Station Average Low Income Households Per Station Transportation System User Benefit Per Project Passenger Mile (Minutes)	<u>New Start vs. Baseline</u>	
	2,165	
	84	
	Not Rated	
Environmental Benefits Rating: Medium-High		
<u>Criteria Pollutant Reduced</u> (tons)	<u>New Start vs. Baseline</u>	
Carbon Monoxide (CO)	129	
Nitrogen Oxide (NO <sub>x</sub> )	6	
Hydrocarbons	13	
Particulate Matter (PM <sub>10</sub> )	0	
Carbon Dioxide (CO <sub>2</sub> )	1,969	
<u>Annual Energy Savings</u> (million)		
BTU	23,656	
Cost Effectiveness Rating: Not Rated		
	<u>New Start vs. Baseline</u>	
Cost per Transportation System User Benefit (current year dollars/hour)	Not Rated	
Operating Efficiencies Rating: Medium		
	<u>Baseline</u>	<u>New Start</u>
System Operating Cost per Passenger Mile (current year dollars)	\$1.60	\$0.72

[ ] indicates an increase in emissions.

## Project Justification

### Rating: Not Rated

This project has not been rated. The project sponsor calculated the project's cost effectiveness at \$1.69 per hour of transportation system user benefit. However, FTA has serious concerns about the information submitted for this measure; the underlying assumptions used by the project sponsor may have produced an inaccurate representation of the benefits of the project. FTA continues to work with this project sponsor to validate the assumptions, information, and projections. A rating for this project will be made available to Congress and other interested parties when the issues are resolved.

Based on 1990 Census data, there are an estimated 1,336 low-income households within a ½-mile radius of the proposed stations, representing 19 percent of all households located within ½

mile of the stations. There are an estimated 34,633 employees within a ½-mile radius of the proposed 16 stations. The Fort Collins region is classified as a “moderate non-attainment area” for carbon monoxide. The project has an incremental cost per incremental trip value of \$10.65.

### **Existing Land Use, Transit-Supportive Land Use Policies and Future Patterns** **Rating: Medium-High**

The *Medium-High* rating reflects the effort being made by the citizens and government of the City of Fort Collins to use BRT as one of several tools to focus development inside an urban growth area boundary and prevent sprawl. At this stage, a detailed assessment is under way to select the set of land-use controls and incentives to deploy in specific areas.

**Existing Conditions:** Fort Collins is a city of 125,000 people located in the North Front Range 65 miles north of Denver. It is the home of Colorado State University (CSU), with its 22,000 students and 6,000 employees. Population and employment densities within the corridor, at 4.6 persons per acre and 7.2 employees per acre, respectively, are low for supporting transit. However, population is growing at a rate of 3.5 percent per year. The resulting growth and prospects for more of it spurred the effort to manage growth and prevent sprawl. One of the major concerns is the amount of traffic on the main north-south artery of the city, College Avenue. It links the CBD with all the other major retail, office, and commercial areas of the city, including CSU beginning one block west of it. It is also the location of U.S. 287, a major artery closely paralleling Interstate 25. Mason Street is just one block west of College Avenue. An active line of the BNSF Railroad is located in the middle of Mason Street and carries eight to ten freight trains a day. It provides a separate half-block wide underused right-of-way just one block away from vehicle-congested College Avenue, extending south about 3.5 miles through the city in its own right-of-way beyond the lower end of Mason Street. Land use at the north end of the corridor is dominated by the CBD and a new complex of city and county government buildings. The floor area ratio in the CBD, exclusive of public rights-of-way, is just 0.63. The entire corridor, although containing many office buildings, retail centers, commercial strips, and a 700,00 square foot shopping mall, has strong possibilities for redevelopment to higher densities.

**Future Plans, Policies and Performance:** The City of Fort Collins is developing a set of actions to induce new, higher density growth in the corridor in accordance with its growth management plan and its new zoning regulations. Opportunities for new development, redevelopment, and in-fill are being identified. Although the scope is essentially citywide, a major part of the current focus is on the station areas of the proposed new BRT project. The new BRT line will share its right-of-way with bicycle and pedestrian paths, as well as the railroad line. CSU is implementing an auto-free campus policy that will support the use of the new BRT service down its eastern boundary. Ongoing construction in the corridor is increasing its transit-supportiveness – County Office Building in Civic Center, CSU Transit Center, 1,500-employee Natural Resources Research Center, and a 220-unit apartment complex abutting project right-of-way. The new buildings and the proposed stations and connections between them are spawning increased pedestrian friendliness and ADA-compliance in the corridor.

## Local Financial Commitment

### **Rating: Low**

The *Low* local financial commitment rating was determined by the *Low* rating for the Section 5309 New Starts funding share.

### **Proposed Non-Section 5309 New Starts Share of Total Project Costs: 20.8%**

### **Rating: Low**

Transfort plans to use Section 5309 New Starts funding, Congestion Management Air Quality (CMAQ), local sales tax, tax increment financing, and a property tax to fund project construction.

<b>Locally Proposed Financial Plan</b>		
<b><u>Proposed Source of Funds</u></b>	<b><u>Total Funding (\$million)</u></b>	<b><u>Percent of Total</u></b>
<b>Federal:</b>		
Section 5309 New Starts	\$52.3	79.2%
CMAQ Flexible Funds	\$0.5	0.8%
<b>Local:</b>		
Building Community Choices Sales Tax	\$5.6	8.5 %
Sales Tax (1/4 cent-extension)	\$3.4	5.1%
Tax Increment Financing	\$3.4	5.1%
Local CMAQ Match	\$0.1	0.2%
Downtown Development Authority Property Tax	\$0.8	1.1%
<b>Total:</b>	<b>\$66.0</b>	<b>100.0%</b>

**NOTE:** Funding proposal reflects assumptions made by project sponsors, and are not DOT or FTA assumptions. Total may not add due to rounding.

## Stability and Reliability of Capital Financing Plan

### **Rating: Medium**

The *Medium* rating reflects the high Section 5309 New Starts share (79 percent) along with the well-defined financial plan and close to 50 percent of the proposed funding sources being committed.

**Agency Capital Financial Condition:** Fort Collins enjoys high bond ratings for all of its outstanding issues. Moreover, at 5.5 years, the average age of the city's bus fleet is below the national average of close to seven years.

**Capital Cost Estimate and Contingencies:** Cost for the Mason Street Transportation Corridor is estimated at \$12.3 million per mile. These costs are reasonable assuming a modest investment in at-grade busways and in accompanying systems. The annual inflation and escalation factors are reasonable based on recent experience. Finally, the project cost estimate includes a 10 percent contingency, which may be low for a project in the early stages of PE.

**Existing and Committed Funding:** Of the \$13.75 million in proposed non-Section 5309 funds, approximately \$6.2 million are both existing and fully committed to the project. This includes \$0.5 million from flexible CMAQ funds, \$5.6 million from the existing Building Community Choices sales tax and \$0.1 million from the City of Fort Collins local CMAQ match.

**New and Proposed Sources:** At present, \$7.55 million in non-Section 5309 funds are to be obtained from new sources not yet committed to the project. These included \$3.4 million from a proposed extension to the Building Community Choices sales tax (a voter ballot item for November 2002), \$3.4 million from a proposed tax increment-financing plan, and \$0.75 million from a property tax increase. However, voters rejected the proposed Building Community Choices sales tax and it unclear how Fort Collins will attempt to replace this funding source.

## **Stability and Reliability of Operating Finance Plan**

### **Rating: Not Submitted**

Fort Collins did not submit an updated financial plan for the FY 2004 financial assessment period. The cost and ridership estimates are significantly higher (nearly double) than that found in the project cash flow as outlined in Fort Collins' FY2003 submission and the revised submission does not outline the assumptions used in generating the new cost and ridership estimates or demonstrate the impact of these changes on the project cash flow (including fare revenues, subsidies or impact on operating balances).

**Agency Operating Financial Condition:** Historical trends provided by Fort Collins, which include bus service only, show that Transfort had operating surpluses for the last five years totaling between \$180,000 and \$1.3 million on average expenses of \$3 million per year.

**Operating Cost Estimates and Contingencies:** Fort Collins did not submit a complete financial plan for the FY2004 assessment period. No update to the project cash flow was received. The FY2003 cash flow cannot be used because other updated information indicates an approximate doubling of operating costs (both for the proposed project and the agency as a whole) and roughly a doubling in systemwide ridership projections. Specifically, project operating and maintenance cost estimates increased from \$1.69 million to \$3.40 million annually, while annual ridership estimates increased from 3.19 million to 6.77 million.

**Existing and Committed Funding:** No funds have been identified as existing and committed. **New and Proposed Funding Sources:** Fort Collins is currently projecting a 40 percent farebox recovery ratio. These funds are considered new and committed. The City is proposing to subsidize the remaining operating costs using funds from its General Fund but did not provide evidence of either the commitment or required capacity of these funds.

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